



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT AGREEMENT NONRENEWAL	POLICY NO. 110.11	EFFECTIVE DATE 12/01/95	PAGE 1 of 2
APPROVED BY: Original signed by: ARETA CROWELL Director	SUPERSEDES N/A	ORIGINAL ISSUE DATE 12/01/95	DISTRIBUTION LEVEL(S) 1, 3

PURPOSE

- 1.1 To provide guidelines on the procedures for nonrenewal of Department of Mental Health (DMH) services Agreements.

POLICY

- 2.1 Automatic Renewal Period(s): After the Initial Period, the Agreement shall be automatically renewed without further action by the parties thereto unless either party decides not to renew such Agreement at the end of the Initial Period and complies with the procedure relating to agreement nonrenewal.

PROCEDURE

- 3.1 Contractor Nonrenewal: If the Agreement has an Automatic Renewal Period as described in Section 2.1 above, and if Contractor decides not to renew such Agreement at the end of the Initial Period as described in Agreement under Initial Period, then Contractor shall provide County with a notice of nonrenewal at least thirty days prior to the end of the Initial Period.
- 3.2 County Nonrenewal:
- 3.2.1 If the Agreement has an Automatic Renewal Period as described in Section 2.1 above, and if the County decided not to renew such Agreement at the end of the Initial Period as described in the Agreement under Initial Period due to any unavailability of Federal, State and/or DMH-allocated County funds, then the County shall provide the Contractor with a notice of non-renewal at least thirty days prior to the end of the Initial Period.
- 3.2.2 If the Agreement has an Automatic Renewal Period as described in Section 2.1 above, and if County decides not to renew such Agreement at the end of the Initial Period as described in the Initial Period paragraph of such Agreement due to any planning or other nonfinancial reasons, then County shall provide Contractor with a notice of nonrenewal at least thirty days prior to the end of the Initial Period.
- 3.2.2.1 Within ten days after the date of receipt of County's Notice of Nonrenewal, Contractor may submit to DMH Director a written



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request for an opportunity for a two-step DMH review of the decision of nonrenewal.

- 3.2.3 County's obligation under Section 3.2.2 above shall be fully satisfied by offering Contractor an opportunity to complete a timely Contractor requested two-step DMH review (per Section 3.2.2.1 above) within thirty days after the date of receipt of County's Notice of Nonrenewal.
- 3.2.4 The two-step DMH review shall consist of a first-level review and a second-level review and shall be conducted according to the schedule and procedures determined by DMH Director. The DMH Director, in his/her sole discretion, may require that Contractor's two-step DMH review shall be conducted at the same time as, and in conjunction with, the two-step DMH reviews for other contractors.
- 3.2.5 The first-level review shall be offered with the appropriate DMH Deputy Director, as determined by DMH Director. If a mutually agreeable resolution cannot be reached at the first-level review, then a second-level review shall be offered with either DMH's Director or Chief Deputy Director, as determined by DMH Director. If a mutually agreeable resolution cannot be reached at the second-level review, then the nonrenewal shall be implemented as determined by County. At both levels, the reasons for the nonrenewal shall be fully discussed. The decision of DMH's Director or Chief Deputy Director shall be final; however, it is further recognized that Contractor may discuss any final DMH decision with County's Board of Supervisors, utilizing the existing Board procedures.
- 3.2.6 If Director does not receive Contractor's written request for the two-step review within ten days after the date of receipt of County's Notice of Nonrenewal or if DMH Director, in his/her sole judgment, determines that Contractor has failed to appear or otherwise timely respond for purposes of either the first-level review or the second-level review, then Contractor shall be deemed to have waived its request for the two-step DMH review.
- 3.2.7 Notwithstanding any other provision of the Agreement, compliance with the two-step DMH review shall not in any way delay the implementation of any nonrenewal of such Agreement.

AUTHORITY

Department of Mental Health Policy